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9 January 1964

MEMORANDUM FOR: All D&E Program Managers

SUBJECT : Proposed FY '65 TSD/D&E Budget

REFERENCE : Submission of FY '65 Budgets from  
TSD/D&E Program Managers

1. On 7 January the undersigned met with the D&E Branch Chiefs and Chief Scientist to review the various Program Manager's submissions for the proposed FY '65 budget. In the course of discussions, it was suggested that budget outlines for TSD/D&E should be prepared by the group encompassing sample broad guidelines for the various categories under various conditions which would result in a total D&E budget of [REDACTED]. Accordingly, the budget outline in attachment 1 was prepared.

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2. In the process of discussing the various budget categories, the group recommended that AC/D&E maintain a tighter control and substantive review of projects carried under the advanced or innovative research sub-categories of the various programs. It was felt that these sub-categories have covered work not always advanced or innovative in nature and that greater review was necessary. AC/D&E will endeavor to conduct this review, on an informal project by project basis, for the remainder of FY '64 prior to determining the need for a more formal procedure.

3. In reviewing the various budget allocations proposed for FY '65, the group sought to give guidance regarding the long-term funding for the various categories. The consensus of opinion of the group follows.

- I. Audio Surveillance - Continue at same level
- II. Visual Surveillance - Continue at same level
- III. Clandestine Communications (A) Secret Writing - Continue at same level
- III. Clandestine Communications (B-G) Gradual rise - leveling off by FY '67

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- IV. Covert Action Support - Eventual decrease beginning FY '66
- V. Technical Surveillance - Continue at same level
- VI. Behavioral Activities Support - Continue at same level
- VII. Concealment - Continue at same level
- VIII. Security Aids - Increase in FY '65 and '66, followed by decrease in FY '67
- IX. Power Sources - Gradual decrease over next three fiscal years
- X. New Materials and Concepts - Gradual decrease over next three fiscal years (assuming DD/S&T keep up satisfactory performance) or slight increase after FY '65 if DD/S&T fails to respond to TSD requirements.

4. It is requested that the Program Managers review the budget outlines of attachment 1 and prepare detailed sub-category budgets in general confirmation with the [REDACTED] total. AC/D&E will notify you of a due date for this budget shortly. In addition to a detailed FY '65 budget, the Program Managers should begin consideration of a projected FY '66 budget along the same category outline. FY '66 estimates will be due along with FY '65 detailed budgets.

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5. In reviewing the submissions of the Program Managers, it was evident to the group that certain projects proposed for FY '65 could, in fact, be funded late in FY '64 if FY '64 funds were available. In accordance with these findings, it is recommended that the various Program Managers review the possibility of requesting proposals for the projects in their category as outlined in attachment 2. The present spending rate for FY '64 indicates a possibility of some funds being available late in FY '64 along with a limited possibility of "wind-fall" money.

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[REDACTED]  
AC/TSD/D&E

Attachments: As stated

Distribution:

- 1 - Program Managers
- 1 - Branch Chiefs